

**SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION**

<b>Host Country:</b>	Islamic Republic of Pakistan.
<b>Name of Borrower(s):</b>	Sapphire Wind Power Company Limited (“Sapphire Wind”), a company established under the laws of Pakistan.
<b>Project Description:</b>	Sapphire Wind will develop, construct, and operate an approximately 50 megawatt wind power project located in Sindh, Pakistan (the “Project”). The Project will help alleviate the mounting debt in the Pakistan power sector since the Project will use wind, a free and renewable resource, as its fuel. The Project’s employment of wind power as its fuel was enabled by a wind resource study that the U.S. National Renewable Energy Laboratories conducted in 2007 under a U.S. AID assistance program.
<b>Proposed OPIC Loan:</b>	Approximately \$95 million with a term up to 12 years, including a grace period of up to two years and a 10-year repayment period.
<b>Total Project Costs:</b>	Approximately \$127.7 million.
<b>U.S. Sponsor:</b>	General Electric Company, which will be supplying approximately 33 wind turbine generators to the Project and providing operation and maintenance services to the Project for a total term of approximately 10 years (two years as subcontractor to the Project’s EPC contractor and eight years as a full service contractor director to the Project).
<b>Foreign Sponsors:</b>	Sapphire Textile Mills Limited (“Sapphire Textiles”) and Bank Alfalah Limited, both companies organized under the laws of Pakistan. Sapphire is publicly listed on the Karachi stock exchange and is a leading conglomerate in Pakistan with experience in the power generation business. Bank Alfalah Limited, the minority investor in the Project, is the sixth largest bank in Pakistan.
<b>Policy Review</b>	
<b>U.S. Economic Impact:</b>	The Project is not expected to have a negative impact on the U.S. economy, as it involves the generation of electricity that will be sold to the national grid. U.S. procurement associated with this Project will have a positive impact on U.S. employment. The project will have a <i>negative</i> five-year U.S. balance of payments impact.
<b>Developmental Effects:</b>	This Project will have a strong developmental impact on Pakistan through the construction of a new wind power plant that

	<p>will supply renewable power to the country's national grid. This wind power plant will help Pakistan diversify its power sources away from high-priced fuel oil, increasing electricity supply and also alleviating balance of payments pressures. The Project will import advanced wind turbine equipment into a country where only a minor amount of wind power generation has been developed. This Project will also support government efforts to increase power generation through renewable resources. Finally, the Project will create dozens of new local jobs that will receive extensive technical training in wind power plant management from General Electric.</p>
<b>Environment:</b>	<p><b>Screening:</b> This Project has been reviewed against OPIC's categorical prohibitions and determined to be categorically eligible. Small to medium wind farms not located in sensitive ecological areas and that demonstrate minimal potential for significant adverse impacts on birds and bats are typically screened as Category B under OPIC's environmental and social guidelines because impacts are site specific and readily mitigated. The major concerns related to wind energy conversion systems are proximity to sensitive bird habitat or migratory flyways, disturbance of sensitive ecosystems, erosion and sediment control, ambient noise, and visual impacts.</p> <p><b>Applicable Standards:</b> OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following Performance Standards:</p> <ul style="list-style-type: none"> <li>PS1: Assessment and Management of Environmental and Social Risks and Impacts;</li> <li>PS2: Labor and Working Conditions;</li> <li>PS3: Resource Efficiency and Pollution Prevention;</li> <li>PS4: Community Health, Safety and Security;</li> <li>PS5: Land Acquisition and Involuntary Resettlement; and</li> <li>PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources</li> </ul> <p>Based on the Borrower's representations, the Project will not involve physical or economic displacement and no land was purchased for the Project. However, because there are families on the project site, OPIC will require that the Borrower notify</p>

	<p>OPIC if any economic or physical displacement should occur and submit to OPIC for its review and approval a Livelihood Restoration Plan that adheres to the requirements of P.S. 5. The Project does not impact any indigenous peoples or cultural sites. Therefore, P.S.'s 7 and 8 do not apply to this Project.</p> <p>In addition to the Performance Standards listed above, the IFC's April 30, 2007 Environmental, Health, and Safety (EHS) Guidelines for Wind Energy and the IFC's April 30, 2007 Environmental, Health, and Safety General Guidelines are applicable to this Project.</p> <p><b>Environmental and Social Risks and Mitigation:</b> The Project involves construction and operation of an approximately 50 MW wind farm in Jhimpir, Pakistan. Sapphire Textiles Mills Limited, the borrower's parent company, is ISO 14001 certified and as a result has developed processes and procedures for emergency preparedness and response; environmental identification and assessment; environmental monitoring and measurement; fire prevention; solid waste handling; and health and safety. In addition, the Project's subcontractor, Hydrochina, has developed a Safety and Environmental Management Manual which outlines the company's EHS policies and procedures. OPIC will require that the Project develop and submit to OPIC for review and approval a project-specific health and safety plan.</p> <p>The land for the Project is being leased from the Alternative Energy Development Board (AEDB) and the Project does not involve physical or economic resettlement; however, there are families who informally reside on the project site. There are four dwellings with six to eight people living in each dwelling. The Borrower represents that potential impacts to these dwellings such as noise and shadow flicker will be mitigated by proper micro-siting. OPIC will require that the Project develop and implement a community grievance mechanism, a stakeholder engagement plan and conduct noise monitoring to assure compliance with IFC guidelines. In addition, the Borrower will be required to notify OPIC if any economic or physical displacement should occur and submit to OPIC for its review and approval a Livelihood Restoration Plan that adheres to the requirements of P.S. 5.</p> <p>The Sapphire wind farm project site is located approximately 12 km from Kinjhar Lake, a wildlife sanctuary and a Ramsar wetland site. The Project conducted an assessment regarding potential impacts on birds which included an interview with the WWF representative stationed at Kinjhar Lake. The WWF</p>
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	<p>representative noted that migratory birds' flight height is approximately 200 meters (higher than the peak height of the proposed turbines of 120 to 145 m) and they start descending at least 3-4 km before the lake. The WWF representative also indicated that migratory birds change their altitude when they see water in the area and because Jhimpir is barren with no water ponds, there is no current record of migratory birds descending early or staying in Jhimpir area. In addition, due to a decrease in water levels at Kinjahr Lake and decrease in available food for birds, the percent of migratory birds landing at Kinjhar lake has decreased significantly. Therefore, the Project is not expected to have significant impacts on birds. OPIC will require that the Project collaborate with WWF on a bird monitoring program and will require that the Project establish a shutdown system acceptable to OPIC to ensure no significant impact if needed.</p>
<b>Workers Rights:</b>	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age, hours of work, the timely payment of wages, and hazardous work situations. The Project will also be required to operate in a manner consistent with the requirements of the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions. Standard and supplemental contract language will be applied to all workers engaged by the Project.</p>
<b>Human Rights:</b>	<p>OPIC issued a human rights clearance for this Project on February 20, 2013.</p>